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C O N F I D E N T I A L PANAMA 000669

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PM  
SUBJECT: PANAMA: LEADERS GRAPPLE WITH SECURITY REFORMS  
  
REF: PANAMA 661

Classified By: AMBASSADOR BARBARA J. STEPHENSON. REASONS: 1.4 (B) AND (D)

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Summary  
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¶1. (C) GOP and opposition leaders are aggressively reaching out to Post to brief their views on the Torrijos Administration's security reform legislation package as well as to gauge USG reactions and interests. At President Torrijos urging following the Ambassador's presentation of credentials (REFTEL), First VP and FM Samuel Lewis and Minister of Government and Justice Daniel Delgado briefed Ambassador on the security reform package on August 8. Additionally, Ambassador engaged with Lewis on this topic (and others) during their August 10 visit to Lewis' Contadora Island home. Opposition leaders -- mostly critical of these proposals, but all suspicious of the Torrijos Administration's motives -- are reaching out to determine the degree to which the USG was involved in crafting this legislative packages. On August 9, Democratic Change (CD) presidential candidate Ricardo Martinelli's lead advisor Jimmy Papadimitriu sought from POLCOUNS USG views on these proposed reforms, and other opposition leaders eager to discuss this matter as well. The GOP's consultations with civil society leaders, consultations into which the GOP was forced by loud, cranky clamor of criticism that Torrijos was striving to "re-militarize," are not going well as key civic leaders issue calls to debate these security reforms in the National Assembly or the "national dialogue (concertacion nacional)." Furthermore, Torrijos' own chairperson of the National Transparency and Anti-Corruption Council, Alma de Fletcher, called on August 9 for broader debate and was subsequently joined in her call by National Ombudsman (Defensor del Pueblo) Ricardo Vargas on August 10. While it runs the risk of complicating U.S. security engagement with Panama, this internal security reform debate also holds open the opportunity that, if managed and implemented properly, Panama and the U.S. may indeed be able to move their bilateral relationship to a new level, especially if the Merida Initiative can be properly harnessed, particularly in areas that show immediate benefit to the Panamanian public such as community policing.

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Security Reform Package Becomes Political Football  
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¶2. (C) Before going out of session on June 30, the National Assembly granted President Torrijos extraordinary powers to

craft and enact legislation that would: create a National Aero-Naval Service (SENAN), establish a National Intelligence Service (SENIS), form an independent Frontier Service (SENAFRONT), and allow the naming of a uniformed officer to head the Panamanian National Police (PNP). While GOP officials strive to meet the August 31 deadline for Torrijos to use his extraordinary powers, opposition leaders are struggling with how to respond to this security reform package. There is nothing unusual about the National Assembly delegating legislative authority to the President at the end of a session, but delegating authority on sensitive security matters is unheard of. Not only former anti-Noriega Civil Crusade (Crusada Civilista) leaders, but also an ever broader array of public commentators, NGO leaders, and opposition politicians have raised the specter that Torrijos is attempting to "re-militarize," something that is politically anathema and constitutionally outlawed in Panama. Having surprised the public with the extraordinary powers to enact security reform and subsequently been surprised by the backlash, the Torrijos Administration acquiesced and launched a round of "consultations" with civil society leaders beginning on August 4.

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Lewis and Delgado Brief Ambassador  
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13. (C) "This package of laws is necessary to address the growing crime and insecurity on our streets," Delgado told Ambassador on August 8 over lunch when briefing GOP plans to establish a coast guard, intelligence service, and frontier force and to put a uniformed officer in charge of the PNP. "People want to see improvement on the streets." Lewis asserted that the "consultations" were going better than anticipated. "There are a lot of misconceptions about what is in the proposed laws," Lewis said, "so we have had an opportunity to clarify them. Also, we are receiving very few comments or questions." Lewis added that on August 11 the GOP would publish the laws as well as all comments received to date as well as open a website and toll-free phone line to receiving comments from the general public. "We have already incorporated some of the requested changes," Lewis said. Generally, Lewis downplayed the reaction within the opposition to these proposals and said he did not foresee political difficulties for the Torrijos Administration. Asked why the laws had to be enacted by August 31 when the extraordinary powers expire, Delgado explained that the laws establishing these entities needed to be put in place so that the next session of the National Assembly that convenes on September 1 would be able to deal with the budgetary issues involved.

14. (C) In an aside, former Panamanian Defense Forces (PDF) Lieutenant Colonel Delgado commented that his ministry was having difficulty recruiting to fill the ranks of the PNP and other public forces. "The pay and salaries elsewhere are something that are difficult to compete with," Delgado commented. "Add to that the prospect of getting hassled with human rights accusations, and a career in the PNP did not look so great." Delgado went on to say that he was trying to make PNP service more appealing by offering barracks-style or base-type housing available to families, establishing PNP commissary services, and creating officer and enlisted clubs. He laughed at the notion that only golf courses were missing from the mix.

15. (C) As he was departing the Ambassador's residence, MFA Senior Advisor Adolfo Ahumada pulled A/DCM aside and floated to him the idea of separating the civilian intelligence (SENIS) law from the security reform package and putting it out to debate and analysis in the "National Dialogue (Concertacion Nacional) process. Ahumada noted that this particular law was drawing the most fire from the broadest front in the opposition and the wider civil society.

16. (C) Noting that in principle the U.S. did not have objections to the GOP's proposed direction on these reforms, Ambassador underscored that it was neither here nor there for

the U.S. to bless Panama's own internal legislative undertakings. The U.S., however, was interested in how these reforms would be implemented to strengthen democracy and protect human rights while also preserving strong bilateral security cooperation. If the politics of the security reform debate became too turbulent, for example, existing security cooperation could be jeopardized and efforts to strengthen that cooperation under the Merida Initiative would be complicated. The U.S. would work to differentiate between on-going security cooperation like PANAMAX, future initiatives like the Merida Initiative, and the GOP's own security reforms. If the debate over security reform became too toxic though, the U.S. was concerned that it could affect existing cooperation by making it too politically sensitive to execute effectively. Ambassador urged Lewis and Delgado to consider carefully how they managed the security reform debate.

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Martinelli's Man Inquires About USG Views  
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17. (C) "We are going to have to say something about these proposed security laws," Martinelli political advisor Papadimitriu told POLCOUNS August 9. "Torrijos had made this a political issue by trying to use extraordinary powers to get this done in an election year." The central security issue on the public's political agenda, Papadimitriu noted, was law and order in people's neighborhoods, not border security or intercepting drug traffickers. "You can expect us to hit hard on Torrijos' inability to stem the growing violence and crime on our streets." POLCOUNS echoed Ambassador's comments that the U.S. sought to preserve its security cooperation with Panama and build a basis for strengthening that cooperation while strengthening Panama's civilian institutions and respect for democracy and human rights; Papadimitriu concurred. "None of these proposed laws do anything to help the average citizen though," he commented.

18. (C) He said that Democratic Change (CD) and its alliance partner Patriotic Union (UP) would hold a conference on security on August 11 to analyze Panama's security challenges. Seeing that Martinelli might have a "leadership" opportunity to outflank both the governing Revolutionary Democratic Party (PRD) that was "enthralled" with the prospect at gaining new security powers and the Panamenista Party whose default setting was to oppose anything that smacked of dictatorship, Papadimitriu said CD would consider staking out a measured response on the security reforms. "We could, for example, support establishment of a coast guard (SENAN) and a border force (SENAFRONT) as good steps to deal with the FARC and drug traffickers while protecting the canal," he said. The creation of an intelligence service (SENIS), however, needed to be "anchored in democracy" and would need to be debated more fully.

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Lewis Sanguine about Security Reform Package  
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19. (C) Lewis reiterated, during Ambassador's visit to Lewis' Contadora Island home on July 10, that he did not believe that opposition to the security reform package was a significant impediment; "People want security and safety." Turning to the situation in the Darien he said, "The FARC are really being pressured by Uribe. Their chain of command is falling apart, so they are acting in a much less disciplined fashion, for example, sacking recently a grocery store in Bajo Chico. We need to be able to deal with FARC in a smart way as they go through these last throes of their existence." Asked if he had spoken with Torrijos about the briefing two days earlier on the security reform package, Lewis confided that he had not had an opportunity to do so.

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Comment  
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¶10. (C) In acknowledging the threat posed by FARC Elements in the Darien (REFTEL), Torrijos opened the door to greater security cooperation with the U.S. to address Panama's FARC threat, continuing problem with narcotics trafficking and other illegal activities, and meeting other shared security challenges. TThe U.S. needs to walk through the open door and to engage to build stronger security partnership that is anchored in greater regional cooperation while continuing to bolster Panama's democracy.

¶11. (C) Torrijos' eagerness to advance on the security front, however, is greatly complicated by Panamanian political realities, realities further complicated by the Torrijos Administration's (mis)steps to date and the tangled history of the U.S.-Panamanian bilateral relationship. But for the opposition outcry, Torrijos and the PRD would have blithely and blindly charged ahead to enact by fiat security reform legislation that has rubbed raw the partially healed wounds of the dictatorships of Torrijos' father and Noriega. The "consultations" have been less than robust: significant civil society organizations have been omitted; participants have not had an opportunity to review the laws before attending; and little time is left for comment after briefing the proposed legislation. Politically tin-eared, Delgado is not the ideal conciliator to manage the delicate dance that will be required to oversee the security reform debate. In discussing the civil society consultations with the press, Delgado unhelpfully commented, "The laws will go because they will go." His vision of a "civilian" police with barracks, commissaries, and their own clubs in splendid isolation is worrisome and suggests a certain personal nostalgia for his old PDF days. Lewis' involvement therefore is a positive development, and the U.S. should strive to strengthen his hand in this internal GOP debate. The proposal to send the SENIS law to the "Concertacion" by Ahumada, Lewis' right-hand man, may provide the nucleus for a way out of the current morass, a formula that appears to appeal to CD's Papadimitriu.

¶12. (C) Widely held public perception that the U.S. is intimately involved in Panama's own security reform effort -- largely driven by the misplaced speculation that Panama's legislative proposals were coordinated with the re-establishment of the U.S. Fourth Fleet, Delgado's July visit to the Pentagon, the announcement of the Merida Initiative, and the annual PANAMAX multi-national exercise that began on August 7 -- will complicate and underscore the need for effective and careful U.S. engagement. Post is now carrying out extensive missionary work with key opposition and NGO leaders to clarifying matters by separating on-going security cooperation activities (e.g., PANAMAX), new initiatives (e.g., Merida), and the Torrijos Administration's security reform package.

¶13. (C) Post's goals are to: preserve on-going military, security, and law enforcement cooperation; lay the groundwork for enhancing that cooperation; ensure that, however it advances on security, Panama does so anchored in democracy and respect for human rights. Panama clearly expects significant U.S. funding assistance to train and equip the SENAN and SENAFRONT, but the absence of FY08 FMF funding for Panama and the recent disqualification of Panama for 1206 funding will pose a serious challenge to the U.S. ability to foster partnership with these new GOP entities. Furthermore, it will be politically incumbent upon the USG through the Merida Initiative to show that it can be a partner in addressing effectively and democratically the average Panamanian citizen's security needs: better law enforcement and safety. Doing so -- through community policing programs, for example -- will burnish USG and GOP street credibility that the U.S. and Panama can indeed take the security relationship to the next level without endangering democratic institutions or threatening human rights.  
STEPHENSON